

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON COUNTY)	
WATER DISTRICT, GRAYSON COUNTY,)	
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	
CONSTRUCTION OF MAJOR ADDITIONS AND)	CASE NO.
IMPROVEMENTS TO ITS WATER DISTRIBUTION)	2002-00283
SYSTEM AND (2) SEEKING APPROVAL OF THE)	
ISSUANCE OF CERTAIN SECURITIES)	

O R D E R

On July 25, 2002, Grayson County Water District (Grayson District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,894,000 wastewater improvement project and for approval of its plan of financing for this project. This project will provide new service to approximately 275 new customers with the installation of approximately 65 miles of 4-inch through 8-inch water transmission mains, a booster pump station and a 100,000 gallon water storage tank. Project funding includes a \$567,000 loan from the U.S. Department of Agriculture's Rural Development (RD), a \$566,000 grant from the RD, a \$436,000 Community Development Block Grant, a \$125,000 contribution from the Grayson County Fiscal Court, a \$1,000,000 Kentucky Infrastructure Authority grant and a \$200,000 contribution from the Applicant.

Grayson District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S.

Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on July 25, 2002, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Grayson District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Grayson District's proposed plan of financing with RD is accepted.
3. Grayson District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
4. Grayson District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Grayson District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
5. Grayson District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 23rd day of August, 2002.

ATTEST:


Executive Director